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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

V.

PENTAGON CAPITAL MANAGEMENT PLC
and LEWIS CHESTER,

Defendants,

-and-

PENTAGON SPECIAL PURPOSE FUND, LTD.,

Relief Defendant.

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08-CV-03324 (RWS)

DEFENDANT'S NOTICE OF MOTION TO DISMISS PLAINTIFF'S COMPLAINT

PLEASE TAKE NOTICE that on the 19th day of November, 2008, at 12:00 p.m. or as soon thereafter as counsel may be heard, attorneys for Defendants Pentagon Capital Management PLC (“PCM”) and Lewis Chester (collectively “Defendants”) and Pentagon Special Purpose Fund, LTD, (“PSPF”) (“Relief Defendant”) shall move for the entry of an Order, granting Defendant’s Motion to Dismiss Plaintiff’s Complaint in the above-captioned action.

PLEASE TAKE FURTHER NOTICE that in support of this Motion, Defendants shall rely upon this Notice of Motion which states: (1) the Complaint fails to allege that the Defendants made misrepresentations to the U.S. mutual funds; (2) the Complaint fails to allege that the Defendants owed the U.S. mutual funds a duty to provide information to the funds regarding Defendants' trading methodology; (3) the Complaint fails to adequately plead the elements of securities fraud required by Rule 9(b); (4) the Complaint fails to allege that the Defendants' acted with scienter; (5) the Complaint fails to allege a cause of action against the Defendants for aiding and abetting liability because the Complaint fails to allege a primary violation; (6) in the alternative, the Complaint fails to allege that the Defendants had knowledge of the primary violation or that the Defendants provided substantial assistance for the underlying violation; (7) the Complaint violates Due Process; (8) the SEC's request for relief is barred by the statute of limitations; (9) the SEC fails to allege the elements necessary for a permanent injunction; and the Memorandum of Law in Support of the Motion to Dismiss the Complaint.

Pentagon Capital Management, PLC, Pentagon
Special Purpose Fund, LTD and Lewis Chester

By counsel,

/s/ Frank C. Razzano

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***Counsel for Defendants, Lewis Chester,
Pentagon Capital Management, PLC and
Pentagon Special Purpose Fund, Ltd.***

CERTIFICATE OF SERVICE

I hereby certify that on August 1, 2008, a true and correct copy of the Defendants' Notice of Motion to Dismiss was served electronically via the Court's Electronic Case Filing system on the following:

Mark K. Schonfeld, Esq.
Paul G. Gizzi, Esq.
Securities and Exchange Commission
Northeast Regional Office
3 World Financial Center, Room 4300
New York, NY 10281-1022
(212) 336-0077 (Paul Gizzi)
gizzip@sec.gov
Attorney for Plaintiff

_____/s/ Frank C. Razzano
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08-CV-03324 (RWS)

ORDER

NOW, this _____ day of _____, 2008, upon consideration of the defendants, Lewis Chester, Pentagon Capital Management, PLC, and Pentagon Special Purpose Fund, Ltd., Motion to Dismiss the plaintiff's Complaint and any opposition thereto, and it appearing that the Motion should be granted,

IT IS HEREBY ORDERED that the defendants' Motion to Dismiss is granted and the Complaint is dismissed with prejudice.

BY THE COURT:

Judge Sweet